

VZCZCXRO0275
PP RUEHBC RUEHDE RUEHDH RUEHKUK RUEHROV
DE RUEHTRO #0862 2991626
ZNY SSSSS ZZH
P 261626Z OCT 09
FM AMEMBASSY TRIPOLI
TO RUEHC/SECSTATE WASHDC PRIORITY 5405
INFO RUEHEE/ARAB LEAGUE COLLECTIVE
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHINGTON DC
RUEAIIA/CIA WASHDC
RHEHAAA/NSC WASHINGTON DC
RUEHOT/AMEMBASSY OTTAWA PRIORITY 0038
RUEHGA/AMCONSUL CALGARY PRIORITY 0013
RUEHVT/AMEMBASSY VALLETTA PRIORITY 0458
RUEHRO/AMEMBASSY ROME PRIORITY 0631
RUEHTRO/AMEMBASSY TRIPOLI 5954

S E C R E T TRIPOLI 000862

SIPDIS

STATE FOR NEA/MAG; STATE PLEASE PASS TO USTR; COMMERCE FOR NATE
MASON

E.O. 12958: DECL: 10/26/2019

TAGS: [PGOV](#) [EPET](#) [ECON](#) [LY](#) [EFIN](#)

SUBJECT: SHOKRI GHANEM RETURNS AS CHAIR OF LIBYAN NATIONAL OIL
COMPANY, LIKELY DUE TO SAIF AL-ISLAM'S POLITICAL ASCENDANCY

REF: A) TRIPOLI 779; B) TRIPOLI 825

CLASSIFIED BY: Joan Polaschik, DCM, U.S. Embassy Tripoli, U.S.
Department of State.

REASON: 1.4 (b), (d)

¶1. (C) On October 26, international press reported that Shokri Ghanem had been reinstated as Chairman of Libya's National Oil Corporation (NOC). The head of NOC-owned Waha Oil Company, Dr. Bashir al-Ashhab, confirmed this report to Marathon General Manager, Steve Guidry (strictly protect), with al-Ashhab commenting that Ghanem had "returned from his extended holiday." Informed contacts believe Ghanem's return is directly linked to the recent appointment of his close ally, Saif al-Islam al-Qadhafi, to his new position as "General Coordinator."

¶2. (S) It remains unclear why Ghanem initially resigned. However, an embassy contact close to Ghanem told P/E Chief October 26 that three significant incidents influenced Ghanem's resignation: attempted solicitation of funds by Khamees al-Qadhafi; the three-day abduction of one of Ghanem's former NOC deputies in retaliation of a refusal to extort funds from the NOC; and a clash between Ghanem and PM-equivalent al Baghdadi al Mahmoudi involving the sale of land holding proven oil reserves to the state of Qatar. According to the contact, Ghanem had twice refused offers from the Libyan regime to take over al Baghdadi's position.

¶3. (S) Shortly before international press reported on Ghanem's return to the NOC, the contact predicted that Ghanem would return to political life, due the official appointment of Saif al-Islam, whom he has mentored for many years. However, some oil industry insiders in Tripoli believe that Ghanem and Saif al-Islam may have had a falling out over Ghanem's mishandling of the sale of the Canadian oil firm Verenex and his inability to force international oil companies to contribute to the claims compensation fund.

¶4. (C) Comment: Heads of international oil companies in Libya seem pleased by the return of Ghanem to the NOC. While they describe Ghanem as a shrewd businessman, they view him as more professional and market-oriented than Acting NOC Chairman Ali al-Sugheir, who represented a perspective within the NOC that favors re-nationalizing the oil companies. Ghanem's return may signify that reform-minded individuals will begin to take on significant roles in the Libyan system now that Saif al-Islam has entered the regime. We expect to see further personnel moves in the weeks to come, as Saif al-Islam defines his new role. End comment.

